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MID-ATLANTIC INFORMATION OFFICE: Philadelphia, Pa.

Technical information: (215) 597-3282 • BLSInfoPhiladelphia@bls.gov • www.bls.gov/regions/mid-atlantic

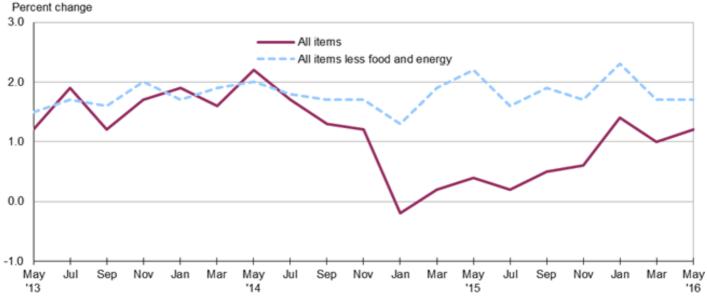
Media contact: (215) 861-5600 • BLSMediaPhiladelphia@bls.gov

Consumer Price Index, Washington-Baltimore – May 2016 Area prices up 0.8 percent since March and 1.2 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) for Washington-Baltimore increased 0.8 percent over the last two months, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Sheila Watkins noted the rise was due mostly to a 7.3-percent increase in the energy index and a 0.5-percent advance in the all items less food and energy index. The food index also rose since March, up 0.1 percent. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the last 12 months, the CPI-U increased 1.2 percent, due mostly to a 1.7-percent rise in the all items less food and energy index. (See <u>chart 1</u> and <u>table A</u>.) Since May 2015, the food index rose 1.0 percent, while the energy index fell 4.3 percent. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Washington, D.C., May 2013-May 2016



Source: U.S. Bureau of Labor Statistics.

Food

After increasing 0.3 percent from January to March, the food index inched up 0.1 percent over the last two months. Prices for food away from home rose 0.4 percent over the last two months; those for food at home declined 0.1 percent. Lower prices for carbonated drinks, eggs, and frozen fruits and vegetables contributed to the decrease in the food at home index.

Food prices rose 1.0 percent over the year, as prices for both components also increased. Prices for food away from home advanced 2.1 percent and those for food at home increased 0.1 percent since last May.

Energy

Since March, the energy index, which includes prices for household and transportation fuels, rose 7.3 percent due to a 19.0-percent increase in gasoline prices—the largest two-month increase for this index since April 2011. Prices for both electricity and utility (piped) gas service declined over the last two months, down 0.3 and 0.8 percent, respectively.

Energy prices fell 4.3 percent over the year, led by a 12.9-percent drop in gasoline prices. Utility (piped) gas service prices also declined, dropping 8.5 percent, while electricity prices rose 9.5 percent since last May.

All items less food and energy

The index for all items less food and energy increased 0.5 percent since March. The increase was due largely to higher prices for shelter (0.6 percent) and apparel (2.9 percent). Moderating the increase in the all items less food and energy index were lower prices for education and communication (-0.7 percent) and medical care (-0.6 percent) over the last two months.

Since May 2015, the index for all items less food and energy rose 1.7 percent. The increase was due largely to an over-the-year rise in shelter prices (2.5 percent). Higher prices for education and communication (2.6 percent) and apparel (5.9 percent), among others, also contributed to the rise.

Table A. Washington, D.C. CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

	2012		2013		2014		2015		2016	
Month	2-month	12-month								
January	0.4	2.7	0.1	1.8	0.4	1.9	-1.0	-0.2	-0.2	1.4
March	1.3	2.8	0.9	1.4	0.6	1.6	1.0	0.2	0.6	1.0
May	0.1	1.8	-0.2	1.2	0.4	2.2	0.6	0.4	0.8	1.2
July		1.4	0.5	1.9	0.0	1.7	-0.2	0.2		
September	1.3	2.8	0.6	1.2	0.2	1.3	0.5	0.5		
November	-0.7	2.1	-0.2	1.7	-0.4	1.2	-0.3	0.6		

The Consumer Price Index for July 2016 is scheduled to be released on Tuesday, August 16, 2016, at 8:30 a.m. (EDT).

Technical Note

The Consumer Price Index for Washington-Baltimore is published bi-monthly. The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **Note:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Washington-Baltimore, D.C.-Md.-Va.-W.Va., Consolidated Metropolitan Statistical Area includes the District of Columbia; Baltimore City and the counties of Anne Arundel, Baltimore, Calvert, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and Washington in Maryland; the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park and the counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, King George, Loudoun, Prince William, Spotsylvania, Stafford, and Warren in Virginia; and the counties of Berkeley and Jefferson in West Virginia.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va., (December 1997=100 unless otherwise noted) (not seasonally adjusted)

		Inde	294	Percent change from			
Expenditure category	Historical data	Mar. 2016	Apr. 2016	May 2016	May 2015	Mar. 2016	Apr. 2016
All items (1)		156.493		157.770	1.2	0.8	
Food and beverages (1)		156.506		156.729	0.9	0.1	
Food ⁽¹⁾		157.971		158.170	1.0	0.1	
Food at home		148.146	148.047	147.956	0.1	-0.1	-0.1
Food away from home (2)		167.780		168.496	2.1	0.4	
Alcoholic beverages (2)		135.989		136.543	-0.6	0.4	
Housing (1)		169.966		170.732	2.3	0.5	
Shelter		182.138	182.574	183.164	2.5	0.6	0.3
Rent of primary residence (1)(3)		200.947	201.274	201.674	1.6	0.4	0.2
Owners' equivalent rent of residences (3) (4)		181.501	182.087	182.068	2.1	0.3	0.0
Owners' equivalent rent of primary residence		181.490	182.073	182.057	2.1	0.3	0.0
Fuels and utilities		187.463		186.920	5.2	-0.3	
Household energy		176.685	175.282	176.046	4.6	-0.4	0.4
Gas (piped) and electricity (3)		170.322	168.856	169.592	5.3	-0.4	0.4
Electricity (3)		183.905	183.955	183.270	9.5	-0.3	-0.4
Utility (piped) gas service (3)		114.162	108.667	113.249	-8.5	-0.8	4.2
Household furnishings and operations		87.209		87.392	-2.7	0.2	
Apparel ⁽¹⁾		100.029		102.971	5.9	2.9	
Transportation (1)		135.805		140.944	-3.8	3.8	
Private transportation		133.611		138.138	-2.9	3.4	
Motor fuel		164.492	182.640	195.430	-13.1	18.8	7.0
Gasoline (all types)		164.345	182.696	195.522	-12.9	19.0	7.0
Gasoline, unleaded regular (5)		161.480	180.180	193.636	-14.1	19.9	7.5
Gasoline, unleaded midgrade (5)		179.213	196.474	207.400	-9.4	15.7	5.6

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va., (December 1997=100 unless otherwise noted) (not seasonally adjusted) - Continued

		Inde	xes	Percent change from			
Expenditure category	Historical data	Mar. 2016	Apr. 2016	May 2016	May 2015	Mar. 2016	Apr. 2016
Gasoline, unleaded premium ⁽⁵⁾		185.272	202.845	214.433	-8.1	15.7	5.7
Medical care ⁽¹⁾		183.828		182.683	1.4	-0.6	
Recreation		120.453		119.777	0.5	-0.6	
Education and communication		153.058		151.980	2.6	-0.7	
Other goods and services ⁽¹⁾		177.702		179.256	0.5	0.9	
Commodity and service group							
Commodities		124.742		126.088	-1.3	1.1	
Commodities less food and beverages		107.387		109.196	-3.1	1.7	
Nondurables less food and beverages		132.062		137.844	-2.8	4.4	
Durables		80.348		79.584	-2.3	-1.0	
Services		177.903		179.121	2.5	0.7	
Special aggregate indexes							
All items less shelter		143.825		145.201	0.4	1.0	
All items less medical care (1)		154.747		156.195	1.2	0.9	
Commodities less food		108.727		110.508	-2.9	1.6	
Nondurables		144.088		146.939	-0.8	2.0	
Nondurables less food	-	132.489		137.913	-2.6	4.1	
Services less rent of shelter		173.962		175.383	2.5	0.8	
Services less medical care services	-	177.282		178.579	2.5	0.7	
Energy ⁽¹⁾		171.291	178.029	183.798	-4.3	7.3	3.2
All items less energy		154.153		154.813	1.6	0.4	

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va., (December 1997=100 unless otherwise noted) (not seasonally adjusted) - Continued

		Inde	exes	Percent change from			
Expenditure category	Historical data	Mar. 2016	Apr. 2016	May 2016	May 2015	Mar. 2016	Apr. 2016
All items less food and energy (1)		154.506		155.237	1.7	0.5	

⁽¹⁾ Indexes on a November 1996=100 base.

Note: Index applies to a month as a whole, not to any specific date.

⁽²⁾ Indexes on a November 1997=100 base.

⁽³⁾ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

⁽⁴⁾ This index series underwent a change in composition in January 2010. The expenditure class now includes weight from secondary residences, and has been re-titled "Owners' equivalent rent of residences." The item stratum "Owners' equivalent rent of primary residence" excludes secondary residences.

⁽⁵⁾ Special index based on a substantially smaller sample.